

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2007

	July-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	FYTD	FY07	Ended	Ended
	Actual	Policy			Net	Net	6/30/2007	6/30/2007
							Net	Net
LARGE CAP DOMESTIC EQUITY								
<i>Structured Growth</i>								
Los Angeles Capital	77,368	2.9%	2.8%	-3.21%	-3.21%	21.84%	13.35%	N/A
Total Structured Growth	77,368	2.9%	2.8%	-3.21%	-3.21%	21.84%	13.35%	10.94%
<i>Russell 1000 Growth</i>				-1.55%	-1.55%	19.04%	8.70%	9.28%
<i>Structured Value</i>								
LSV	75,092	2.8%	2.8%	-4.84%	-4.84%	23.77%	19.00%	16.55%
<i>Russell 1000 Value</i>				-4.62%	-4.62%	21.87%	15.93%	13.31%
<i>Russell 1000 Enhanced Index</i>								
LA Capital	153,221	5.8%	5.6%	-3.86%	-3.86%	21.27%	13.46%	N/A
<i>Russell 1000</i>				-3.09%	-3.09%	20.43%	12.34%	
<i>S&P 500 Enhanced Index</i>								
Westridge	164,970	6.2%	5.6%	-1.62%	-1.62%	21.12%	11.98%	N/A
<i>S&P 500</i>				-3.10%	-3.10%	20.59%	11.68%	
<i>Index</i>								
State Street	47,203			-4.09%	-4.09%	21.82%	12.34%	11.08%
Total 130/30	47,203	1.8%	1.9%	-4.09%	-4.09%	21.82%	12.34%	11.08%
<i>S&P 500</i>				-3.10%	-3.10%	20.59%	11.68%	10.71%
TOTAL LARGE CAP DOMESTIC EQUITY	517,855	19.6%	18.8%	-3.22%	-3.22%	21.86%	13.76%	12.22%
<i>S&P 500</i>				-3.10%	-3.10%	20.59%	11.68%	10.71%
SMALL CAP DOMESTIC EQUITY								
<i>Manager-of-Managers</i>								
SEI	86,262	3.3%	3.1%	-6.33%	-6.33%	18.39%	13.70%	14.37%
<i>Russell 2000 + 200bp</i>				-6.67%	-6.67%	18.76%	15.72%	16.16%
<i>Enhanced</i>								
Research Affiliates	82,915	3.1%	3.1%	N/A	N/A	N/A	N/A	N/A
<i>Russell 2000</i>				-6.84%	-6.84%			
TOTAL SMALL CAP DOMESTIC EQUITY	169,176	6.4%	6.3%	-6.33%	-6.33%	18.39%	13.70%	14.37%
<i>Russell 2000</i>				-6.84%	-6.84%	16.44%	13.45%	13.88%
INTERNATIONAL EQUITY								
<i>Large Cap - Active</i>								
Capital Guardian	110,820	4.2%	4.0%	-1.85%	-1.85%	25.99%	21.19%	14.89%
LSV	116,731	4.4%	4.0%	-1.90%	-1.90%	31.24%	N/A	N/A
Total Large Cap - Active	227,550	8.6%	8.0%	-1.87%	-1.87%	28.57%	22.95%	18.43%
<i>MSCI EAFE - 50% Hedged</i>				-2.31%	-2.31%	26.94%	22.55%	15.71%
<i>Small Cap - Value</i>								
Lazard	28,946	1.1%	1.0%	-0.60%	-0.60%	21.03%	20.93%	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				1.20%	1.20%	28.58%	26.34%	
<i>Small Cap - Growth</i>								
Vanguard	27,655	1.0%	1.0%	-0.46%	-0.46%	31.00%	28.08%	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				1.20%	1.20%	28.58%	26.34%	
TOTAL INTERNATIONAL EQUITY	284,152	10.8%	10.0%	-1.62%	-1.62%	28.02%	23.43%	17.15%
<i>MSCI EAFE - 50% Hedged</i>				-2.31%	-2.31%	26.94%	22.55%	15.71%
DOMESTIC FIXED INCOME								
<i>Core Bond</i>								
Western Asset	439,028	16.6%	17.1%	0.16%	0.16%	7.29%	4.44%	5.64%
<i>Lehman Aggregate</i>				0.83%	0.83%	6.12%	3.98%	4.48%
<i>Mortgage Backed</i>								
Hyperion	124,060	4.7%	4.4%	0.09%	0.09%	N/A	N/A	N/A
<i>Lehman Global Aggregate (US Securitized Portion)</i>				1.09%	1.09%			
<i>Core Plus/Enhanced</i>								
Clifton Group	122,803	4.7%	4.4%	1.64%	1.64%	5.52%	N/A	N/A
Prudential	120,081	4.5%	4.4%	-0.29%	-0.29%	N/A	N/A	N/A
Total Core Plus/Enhanced	242,884	9.2%	8.8%	0.67%	0.67%	5.95%	N/A	N/A
<i>Lehman Aggregate</i>				0.83%	0.83%	6.12%		
<i>Index</i>								
Bank of ND	218,072	8.3%	7.7%	1.11%	1.11%	5.45%	2.92%	4.32%
<i>Lehman Gov/Credit (1)</i>				1.00%	1.00%	6.00%	3.04%	4.35%
<i>BBB Average Quality</i>								
Wells Capital (formerly Strong)	433,348	16.4%	17.1%	-0.21%	-0.21%	7.93%	4.86%	6.59%
<i>Lehman US Credit BAA</i>				-0.06%	-0.06%	7.54%	4.47%	6.59%
TOTAL DOMESTIC FIXED INCOME	1,457,391	55.2%	55.0%	0.27%	0.27%	7.11%	3.89%	5.04%
<i>Lehman Aggregate (2)</i>				0.83%	0.83%	6.12%	4.13%	4.87%
CASH EQUIVALENTS								
Bank of ND	211,417	8.0%	10.0%	0.44%	0.44%	5.36%	4.10%	3.00%
<i>90 Day T-Bill</i>				0.39%	0.39%	5.21%	3.78%	2.76%
TOTAL BONDING FUND	2,639,991	100.0%	100.0%	-1.11%	-1.11%	12.43%	8.06%	8.32%
POLICY TARGET BENCHMARK				-0.74%	-0.74%	11.30%	7.64%	7.64%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.